



House of Representatives

General Assembly

File No. 375

January Session, 2003

Substitute House Bill No. 5900

House of Representatives, April 15, 2003

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ALIAS TAX WARRANTS FOR AMOUNTS OWED FOR WATER AND SEWER FEES AND OTHER SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-239 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) The legislative body shall establish just and equitable rates or
4 charges for the use of the waterworks system authorized herein, to be
5 paid by the owner of each lot or building which is connected with and
6 uses such system, and may change such rates or charges from time to
7 time. Such rates or charges shall be sufficient in each year for the
8 payment of the expense of operation, repair, replacements and
9 maintenance of such system and for the payment of the sums herein
10 required to be paid into the sinking fund. No such rate or charge shall
11 be established until after a public hearing at which all the users of the
12 waterworks system and the owners of property served or to be served

13 and others interested shall have an opportunity to be heard concerning
14 such proposed rate or charge. Notice of such hearing shall be given, at
15 least ten days before the date set therefor, in a newspaper having a
16 circulation in such municipality. Such notice shall set forth a schedule
17 of rates or charges, and a copy of the schedule of rates or charges
18 established shall be kept on file in the office of the legislative body and
19 in the office of the clerk of the municipality, and shall be open to
20 inspection by the public. The rates or charges so established for any
21 class of users or property served shall be extended to cover any
22 additional premises thereafter served which are within the same class,
23 without the necessity of a hearing thereon. Any change in such rates or
24 charges may be made in the same manner in which they were
25 established, provided, if any change is made substantially pro rata as
26 to all classes of service, no hearing shall be required. The provisions of
27 this section shall not apply to the sale of bottled water.

28 (b) Personal demand for rates or charges which are overdue shall be
29 made in accordance with personal demand for taxes due under section
30 12-155 and thereafter an alias tax warrant may be issued to the
31 delinquent owner in accordance with sections 12-135 and 12-162. The
32 rates or charges established pursuant to this section, if not paid when
33 due, shall constitute a lien upon the premises served and a charge
34 against the owners thereof, which lien and charge shall bear interest at
35 the same rate as would unpaid taxes. Such a lien not released of record
36 prior to October 1, 1993, shall not continue for more than one year
37 unless the superintendent of the waterworks system has filed a
38 certificate of continuation of the lien in the manner provided under
39 section 12-174 for the continuance of tax liens, and when so continued
40 shall be valid for fifteen years. A lien described in this section shall
41 take precedence over all other liens or encumbrances except taxes and
42 may be foreclosed against the lot or building served in the same
43 manner as a lien for taxes.

44 (c) Any municipality, by resolution of its legislative body, may
45 assign, for consideration, any and all liens filed by the superintendent
46 of the waterworks system or tax collector to secure unpaid water

47 charges as provided under the provisions of this chapter. The
48 consideration received by the municipality shall be negotiated between
49 the municipality and the assignee. The assignee or assignees of such
50 liens shall have and possess the same powers and rights at law or in
51 equity as such municipality and municipality's tax collector would
52 have had if the lien had not been assigned with regard to the
53 precedence and priority of such lien, the accrual of interest and the fees
54 and expenses of collection. The assignee shall have the same rights to
55 enforce such liens as any private party holding a lien on real property,
56 including, but not limited to, foreclosure and a suit on the debt. Costs
57 and reasonable attorneys' fees incurred by the assignee as a result of
58 any foreclosure action or other legal proceeding brought pursuant to
59 this section and directly related to the proceeding shall be taxed in any
60 such proceeding against each person having title to any property
61 subject to the proceedings. Such costs and fees may be collected by the
62 assignee at any time after demand for payment has been made by the
63 assignee.

64 (d) The amount of any such rate or charge which remains due and
65 unpaid for thirty days may, with reasonable attorneys' fees, be
66 recovered by the legislative body in a civil action in the name of the
67 municipality against such owners. The municipality shall be subject to
68 the same rates or charges under the same conditions as other users of
69 such waterworks system.

70 Sec. 2. Section 7-254 of the general statutes is repealed and the
71 following is substituted in lieu thereof (*Effective July 1, 2003*):

72 (a) Any assessment of benefits or any installment thereof, not paid
73 within thirty days after the due date, shall be delinquent and shall be
74 subject to interest from such due date at the interest rate and in the
75 manner provided by the general statutes for delinquent property taxes.
76 Each addition of interest shall be collectible as a part of such
77 assessment.

78 (b) Whenever any installment of an assessment becomes delinquent,
79 the interest on such delinquent installment shall be as provided in

80 subsection (a) or five dollars, whichever is greater. Personal demand
81 for delinquent assessments shall be made in accordance with personal
82 demand for taxes due under section 12-155 and thereafter an alias tax
83 warrant may be issued to the delinquent owner in accordance with
84 sections 12-135 and 12-162. Any unpaid assessment and any interest
85 due thereon shall constitute a lien upon the real estate against which
86 the assessment was levied from the date of such levy. Each such lien
87 may be continued, recorded and released in the manner provided by
88 the general statutes for continuing, recording and releasing property
89 tax liens. Each such lien shall take precedence over all other liens and
90 encumbrances except taxes and may be enforced in the same manner
91 as property tax liens. The tax collector of the municipality may collect
92 such assessments in accordance with any mandatory provision of the
93 general statutes for the collection of property taxes and the
94 municipality may recover any such assessment in a civil action against
95 any person liable therefor.

96 (c) Any municipality, by resolution of its legislative body, may
97 assign, for consideration, any and all liens filed by the tax collector to
98 secure unpaid sewer assessments as provided under the provisions of
99 this chapter. The consideration received by the municipality shall be
100 negotiated between the municipality and the assignee. The assignee or
101 assignees of such liens shall have and possess the same powers and
102 rights at law or in equity as such municipality and municipality's tax
103 collector would have had if the lien had not been assigned with regard
104 to the precedence and priority of such lien, the accrual of interest and
105 the fees and expenses of collection. The assignee shall have the same
106 rights to enforce such liens as any private party holding a lien on real
107 property, including, but not limited to, foreclosure and a suit on the
108 debt. Costs and reasonable attorneys' fees incurred by the assignee as a
109 result of any foreclosure action or other legal proceeding brought
110 pursuant to this section and directly related to the proceeding shall be
111 taxed in any such proceeding against each person having title to any
112 property subject to the proceedings. Such costs and fees may be
113 collected by the assignee at any time after demand for payment has
114 been made by the assignee.

115 Sec. 3. Section 7-258 of the general statutes is repealed and the
116 following is substituted in lieu thereof (*Effective July 1, 2003*):

117 (a) Any charge for connection with or for the use of a sewerage
118 system, not paid within thirty days of the due date, shall thereupon be
119 delinquent and shall bear interest from the due date at the rate and in
120 the manner provided by the general statutes for delinquent property
121 taxes. Each addition of interest shall be collectible as a part of such
122 connection or use charge. Personal demand for delinquent assessments
123 shall be made in accordance with personal demand for taxes due
124 under section 12-155 and thereafter an alias tax warrant may be issued
125 to the delinquent owner in accordance with sections 12-135 and 12-162.
126 Any such unpaid connection or use charge shall constitute a lien upon
127 the real estate against which such charge was levied from the date it
128 became delinquent. Each such lien may be continued, recorded and
129 released in the manner provided by the general statutes for continuing,
130 recording and releasing property tax liens. Each such lien shall take
131 precedence over all other liens and encumbrances except taxes and
132 may be foreclosed in the same manner as a lien for property taxes. The
133 municipality may by ordinance designate the tax collector or any other
134 person as collector of sewerage system connection and use charges and
135 such collector of sewerage system connection and use charges may
136 collect such charges in accordance with the provisions of the general
137 statutes for the collection of property taxes. The municipality may
138 recover any such charges in a civil action against any person liable
139 therefor. For the purpose of establishing or revising such connection or
140 use charges and for the purpose of collecting such charges any
141 municipality may enter into agreements with any water company or
142 municipal water department furnishing water in such municipality for
143 the purchase from such water company or municipal water
144 department of information or services and such agreement may
145 designate such water company or municipal water department as a
146 billing or collecting agent of the collector of sewerage system
147 connection and use charges in the municipality. Any water company
148 or municipal water department may enter into and fulfill any such
149 agreements and may utilize for the collection of such charges any of

150 the methods utilized by it for the collection of its water charges.

151 (b) Any municipality, by resolution of its legislative body, may
152 assign, for consideration, any and all liens filed by the tax collector or
153 collector of sewerage system connection and use charges to secure
154 unpaid sewerage connection and use charges as provided under the
155 provisions of this chapter. The consideration received by the
156 municipality shall be negotiated between the municipality and the
157 assignee. The assignee or assignees of such liens shall have and possess
158 the same powers and rights at law or in equity as such municipality
159 and municipality's tax collector would have had if the lien had not
160 been assigned with regard to the precedence and priority of such lien,
161 the accrual of interest and the fees and expenses of collection. The
162 assignee shall have the same rights to enforce such liens as any private
163 party holding a lien on real property, including, but not limited to,
164 foreclosure and a suit on the debt. Costs and reasonable attorneys' fees
165 incurred by the assignee as a result of any foreclosure action or other
166 legal proceeding brought pursuant to this section and directly related
167 to the proceeding shall be taxed in any such proceeding against each
168 person having title to any property subject to the proceedings. Such
169 costs and fees may be collected by the assignee at any time after
170 demand for payment has been made by the assignee.

171 Sec. 4. Section 7-328 of the general statutes is repealed and the
172 following is substituted in lieu thereof (*Effective July 1, 2003*):

173 (a) The territorial limits of the district shall constitute a separate
174 taxing district, and the assessor or assessors of the town shall separate
175 the property within the district from the other property in the town
176 and shall annually furnish the clerk of the district with a copy of the
177 grand list of all property in the district after it has been completed by
178 the board of assessment appeals of the town. If the legislative body of
179 the town elects, pursuant to section 12-62a or 12-62c, to defer all or any
180 part of the amount of the increase in the assessed value of real
181 property in the year a revaluation becomes effective and in any
182 succeeding year in which such deferment is allowed, the grand list

183 furnished to the clerk of the district for each such year shall reflect
184 assessments based upon such deferment. When the district meeting
185 has fixed the tax rate, the clerk shall prepare a rate bill, apportioning to
186 each owner of property his proportionate share of the taxes, which rate
187 bill, when prepared, shall be delivered to the treasurer; and the district
188 and the treasurer thereof shall have the same powers as towns and
189 collectors of taxes to collect and enforce payment of such taxes. [, and
190 such taxes] Personal demand for delinquent taxes shall be made in
191 accordance with personal demand for taxes due under section 12-155
192 and thereafter an alias tax warrant may be issued to the delinquent
193 taxpayer in accordance with sections 12-135 and 12-162. Taxes when
194 laid shall be a lien upon the property in the same manner as town
195 taxes, and such liens may be continued by certificates recorded in the
196 land record office of the town, and foreclosed in the same manner as
197 liens for town taxes. The assessor or board of assessment appeals shall
198 promptly forward to the clerk of the district any certificate of
199 correction or notice of any other lawful change to the grand list of the
200 district. The district clerk shall, within ten days of receipt of any such
201 certificate or notice, forward a copy thereof to the treasurer, and the
202 assessment of the property for which such certificate or notice was
203 issued and the rate bill related thereto shall be corrected accordingly. If
204 the district constructs any drain, sewer, sidewalk, curb or gutter, such
205 proportion of the cost thereof as such district determines may be
206 assessed by the board of directors, in the manner prescribed by such
207 district, upon the property specially benefited by such drain, sewer,
208 sidewalk, curb or gutter, and the balance of such costs shall be paid
209 from the general funds of the district. In the construction of any flood
210 or erosion control system, the cost to such district may be assessed and
211 shall be payable in accordance with sections 25-87 to 25-93, inclusive.
212 Subject to the provisions of the general statutes, the district may issue
213 bonds and the board of directors may pledge the credit of the district
214 for any money borrowed for the construction of any public works or
215 the acquisition of recreational facilities authorized by sections 7-324 to
216 7-329, inclusive, and such board shall keep a record of all notes, bonds
217 and certificates of indebtedness issued, disposed of or pledged by the

218 district. All moneys received by the directors on behalf of the district
219 shall be paid to the treasurer. No contract or obligation which involves
220 an expenditure in the amount of (1) ten thousand dollars or more in
221 districts where the grand list is less than or equal to twenty million
222 dollars, or (2) twenty thousand dollars or more in districts where the
223 grand list is greater than twenty million dollars, in any one year shall
224 be made by the board of directors, unless the same is specially
225 authorized by a vote of the district, nor shall the directors borrow
226 money without like authority. The clerk of the district shall give
227 written notice to the treasurer of the town in which the district is
228 located of any final decision of the board of directors to borrow money,
229 not later than thirty days after the date of such decision. The district
230 may adopt ordinances, with penalties to secure their enforcement, for
231 the purpose of regulating the carrying out of the provisions of sections
232 7-324 to 7-329, inclusive, and defining the duties and compensation of
233 its officers and the manner in which their duties shall be carried out.

234 (b) Upon the request of the clerk of any district, the registrar of
235 voters and the assessor of the town in which the district is located shall
236 provide a list of voters of the district.

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| This act shall take effect as follows: | |
| Section 1 | <i>July 1, 2003</i> |
| Sec. 2 | <i>July 1, 2003</i> |
| Sec. 3 | <i>July 1, 2003</i> |
| Sec. 4 | <i>July 1, 2003</i> |

PD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

| Municipalities | Effect |
|------------------------|---------------|
| Various Municipalities | None |

Explanation

The bill clarifies that municipal water companies can file alias tax warrants on delinquent customers has no fiscal impact.

OLR Bill Analysis

sHB 5900

**AN ACT CONCERNING ALIAS TAX WARRANTS FOR AMOUNTS
OWED FOR WATER AND SEWER FEES AND OTHER SERVICES****SUMMARY:**

The law allows local tax collectors to (1) personally demand property owners pay back taxes and (2) serve them with a alias tax warrant before the municipality sells the property for the back taxes. This bill explicitly extends this power to special taxing districts (for property taxes), water pollution control authorities (WPCAs, for sewer assessments and connection and use charges), and municipal water departments (for water rates or charges).

Current law already gives special districts and WPCAs the same general powers as tax collectors to collect and enforce payments of property taxes and sewer assessment and use charges, respectively.

EFFECTIVE DATE: July 1, 2003

BACKGROUND***Personal Demand and Alias Tax Warrant***

The law allows tax collectors to take certain steps before foreclosing on a property for back taxes. They can personally demand that the taxpayer pay the taxes or leave him a written demand at his home to that effect. If the taxpayer fails to pay the taxes, tax collectors can issue an alias tax warrant, which is a legal document authorizing a state marshal or constable to collect the taxes, interest, and charges from the taxpayer. The warrant threatens the taxpayer with the sale of his property or the garnishment of his wages, or payment from assets in his bank (*Handbook for Connecticut Collectors*, University of Connecticut Institute for Public Service (1989)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute
Yea 16 Nay 0